

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF LOUISVILLE GAS AND)
ELECTRIC COMPANY TO MODIFY ITS)
CERTIFICATE OF PUBLIC CONVENIENCE AND) CASE NO. 2012-00469
NECESSITY AS TO THE MILL CREEK UNIT 3)
FLUE-GAS DESULFURIZATION UNIT)

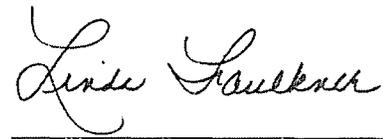
NOTICE OF FILING

Notice is given to all parties that the following materials have been filed into the record of this proceeding:

- The digital video recording of the evidentiary hearing conducted on January 3, 2013 in this proceeding;
- Certification of the accuracy and correctness of the digital video recording;
- A written log listing, *inter alia*, the date and time of where each witness' testimony begins and ends on the digital video recording of the evidentiary hearing conducted on January 3, 2013.

A copy of this Notice, the certification of the digital video record, and hearing log have been electronically served upon all persons listed at the end of this Notice. Parties desiring an electronic copy of the digital video recording of the hearing in Windows Media format may download a copy at http://psc.ky.gov/av_broadcast/2012-00469/2012-00469_03Jan13_Inter.aspx. Parties wishing an annotated digital video recording may submit a written request by electronic mail to pscfilings@ky.gov. A minimal fee will be assessed for a copy of this recording.

Done at Frankfort, Kentucky, this 31st day of January 2013.

A handwritten signature in cursive script that reads "Linda Faulkner".

Linda Faulkner
Director, Filings Division
Public Service Commission of Kentucky

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CERTIFICATE

I, Kathy Gillum, hereby certify that:

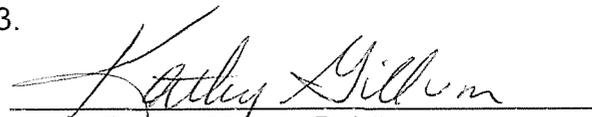
1. The attached DVD contains a digital recording of the hearing conducted in the above-styled proceeding on **January 3, 2013**. Hearing Log and Witness List are included with the recording on January 3, 2013.

2. I am responsible for the preparation of the digital recording;

3. The digital recording accurately and correctly depicts the hearing;

4. The "Hearing Log" attached to this Certificate accurately and correctly states the events that occurred at the hearing of **January 3, 2013** and the time at which each occurred.

Given this 31st day of January, 2013.


Kathy Gillum, Notary Public
State at Large

My commission expires: Sept 3, 2013



Session Report - Detail

2012-00469_03Jan13

Louisville Gas and Electric
Company

Date:	Type:	Location:	Department:
1/3/2013	Environmental Surcharge	Public Service Commission	

Witness: Lonnie Bellar, LG&E-KU; Charles Schram, LG&E-KU; John N. Voyles, LG&E-KU
 Judge: Linda Breathitt; Jim Gardner
 Clerk: Kathy Gillum

Event Time	Log Event
1:04:42 PM	Session Started
1:05:23 PM	Preliminary Remarks and Introductions Note: Gillum, Kathy Vice Chair Gardner presiding, with Commissioner Breathitt. Kendrick Riggs and Allyson Sturgeon for LG&E-KU. Richard Raff, PSC staff attorney.
1:05:34 PM	Camera Lock Deactivated
1:05:53 PM	Outstanding Motions Note: Gillum, Kathy No outstanding Motions
1:06:23 PM	Kendrick Riggs (LG&E-KU) Note: Gillum, Kathy Mr. Riggs makes statements regarding Intervenors.
1:06:47 PM	Witness, Lonnie Bellar (LG&E-KU) Note: Gillum, Kathy Witness called to testify by Kendrick Riggs.
1:07:29 PM	Kendrick Riggs (LG&E-KU) Note: Gillum, Kathy Qualification of witness by Kendrick Riggs. Witness adopts pre-filed testimony with an addition.
1:08:33 PM	Examination by Richard Raff (PSC) Note: Gillum, Kathy Questions regarding page 5 of pre-filed testimony, line 16.
1:09:21 PM	Vice Chair Gardner Note: Gillum, Kathy Questions regarding press release relating to the Ghent facility. Questions regarding if there is an EPA enforcement against Brown at this time.
1:12:08 PM	Kendrick Riggs (LG&E-KU) Note: Gillum, Kathy Questions regarding consent decree and notice of violations. Questions regarding the ROE used in the ECR. Witness gives a detailed explanation.
1:13:53 PM	Commissioner Breathitt Note: Gillum, Kathy Questions regarding slides presented at IC.
1:14:29 PM	Witness excused (Bellar) Note: Gillum, Kathy Witness, Lonnie Bellar excused.
1:14:45 PM	Witness, John N. Voyles (LG&E-KU) Note: Gillum, Kathy Witness called to testify by Kendrick Riggs.
1:15:23 PM	Kendrick Riggs (LG&E-KU) Note: Gillum, Kathy Qualification of witness by Kendrick Riggs. Witness adopts pre-filed testimony and supplemental testimony.

1:16:01 PM	Examination by Richard Raff (PSC) Note: Gillum, Kathy	Questions regarding Mill Creek Project. Questions regarding rehabilitating the scrubber. Questions regarding the reasons for the increase in cost. Questions regarding inspection of scrubbers whenever there is a planned outage. Questions regarding page 3 of Application. Questions regarding estimates in the Black and Veatch Report. Questions regarding dealings with Zachary. Questions regarding EPA estimate of capital costs of scrubbers. Questions regarding variable costs estimates. Questions regarding capitalization of some expenses. Questions regarding the cost of operating the bag house.
1:42:21 PM	Commissioner Breathitt Note: Gillum, Kathy	Commissioner Breathitt asked the witness for the name of the Vendor.
1:43:10 PM	Examination by Richard Raff (PSC) continues Note: Gillum, Kathy	Questions regarding cost reductions. Questions regarding Response to 6(a) of PSC 1st D.R. Questions regarding why decision is needed by Jan. 18. Questions regarding purchase of power. Questions regarding the timeline for the modeling. Questions regarding page 10 of testimony. Questions regarding gas forecasts. Questions regarding page 12, lines 19 - 22 of testimony. Questions regarding sensitivity analysis. Questions regarding the numbers located on the Bottom of page 12 and bottom of page 10 and their differences.
2:07:18 PM	Data Request (PSC) Note: Gillum, Kathy	Data Request: Current gas forecast and the Cambridge forecast
2:08:39 PM	Examination by Richard Raff (PSC) continues	
2:09:09 PM	Kendrick Riggs (LG&E-KU) Note: Gillum, Kathy	States Mr. Schram will be called to testify and may be able to answer the questions asked of Mr. Bellar.
2:09:23 PM	Vice Chair Gardner	
2:09:34 PM	Richard Raff (PSC)	
2:09:44 PM	Commissioner Breathitt Note: Gillum, Kathy	Commissioner Breathitt requests for witness to review a document that she presented to Kendrick Riggs. Witness is passed the document to review by Kendrick Riggs. Document Titled FGD dated 10-10-12. Questions regarding page 4. Questions regarding slide 6 of handout. Questions regarding what will be demolished. Questions regarding D.R. 13.
2:17:19 PM	Kendrick Riggs (LG&E-KU) Note: Gillum, Kathy	States he can re-call Mr. Bellar if needed.
2:17:50 PM	Vice Chair Gardner Note: Gillum, Kathy	Questions regarding EPA enforcement actions. Questions regarding page 8 of testimony, lines 7, 8 9, and 10. Witness is passed a spreadsheet from Vice Chair Gardner for review. Mr. Kendrick Riggs asked the witness if he has seen the document before. Witness states that he has seen it. Questions by Vice Chair Gardner regarding the spreadsheet. Questions regarding page 9 of testimony.
2:29:37 PM	Data Request (PSC) Note: Gillum, Kathy	Data requested by Vice Chair Gardner: Provide a reconciliation.
2:30:20 PM	Vice Chair Gardner Note: Gillum, Kathy	Questions regarding savings on Trimble. Questions regarding O&M savings. Questions regarding Black & Veatch. Questions regarding page 10, lines 4, 5 and 6 of testimony. Questions regarding modeling timeline.

2:37:55 PM	Data Request (PSC) Note: Gillum, Kathy	Data Requested by Vice Chair Gardner: Provide estimated time of modeling and the terms of the contract.
2:38:27 PM	Vice Chair Gardner Note: Gillum, Kathy	Questions regarding EPA rules since 2011 hearing date. Questions regarding changes in So2. Questions regarding green- house gas from existing sources. Questions regarding the 4 year. Questions regarding Tables on pages 10 and 12. Questions regarding construction costs as compared to O&M costs. Questions regarding Mill Creek 4.
2:59:29 PM	Data Request (PSC) Note: Gillum, Kathy	Data Requested by Vice Chair Gardner : Costs with respect to retrofit of Unit 4 as to tie-in with Unit 3.
3:00:09 PM	Commissioner Breathitt Note: Gillum, Kathy	Questions regarding Page 11 of testimony regarding 2nd year extension. Questions regarding page 12 of testimony. Questions regarding the coal to be used at Mill Creek.
3:09:38 PM	Break Note: Gillum, Kathy	15 minute break
3:09:58 PM	Session Paused	
3:26:16 PM	Session Resumed	
3:26:29 PM	Examination by Kendrick Riggs (LG&E-KU) Note: Gillum, Kathy	Questions regarding the Modeling Studies. Witness explains what could affect the schedule. Questions regarding the O&M cost estimates.
3:29:54 PM	Examination by Richard Raff (PSC) Note: Gillum, Kathy	Questions regarding Modeling.
3:33:19 PM	Vice Chair Gardner Note: Gillum, Kathy	Questions regarding lower O&M costs.
3:34:13 PM	Witness Excused (Voyles) Note: Gillum, Kathy	Witness, John Voyles excused.
3:34:31 PM	Witness, Charles Schram (LG&E-KU) Note: Gillum, Kathy	Witness called to testify by Kendrick Riggs.
3:35:16 PM	Kendrick Riggs (LG&E-KU) Note: Gillum, Kathy	Qualification of witness by Kendrick Riggs. Witness responds to questions previously asked of Mr. Voyles.
3:38:29 PM	Commissioner Breathitt Note: Gillum, Kathy	Clarification of High and Low.
3:39:01 PM	Kendrick Riggs (LG&E-KU) Note: Gillum, Kathy	Questions regarding changes in gas price forecasts.
3:39:46 PM	Examination by Richard Raff (PSC) Note: Gillum, Kathy	Questions regarding the Tables on pages 10 and 12. Questions regarding running the model. Gas Price Forecast used for the higher numbers on page 10, and the numbers on page 12
3:43:27 PM	Data Request (reiterated) Note: Gillum, Kathy	Witness states 2015 or 16 forward. Mr. Raff also asks for a description.
3:44:59 PM	Witness Excused (Schram) Note: Gillum, Kathy	Witness, Charles Schram excused.
3:45:11 PM	Witness, Lonnie Bellar (re-called)	
3:45:28 PM	Kendrick Riggs (LG&E-KU) Note: Gillum, Kathy	Kendrick Riggs presents witness with spreadsheet previously presented to Mr. Voyles. Mr. Bellar is asked to respond to the questions asked of Mr. Voyles previously.

3:47:29 PM	Commissioner Breathitt Note: Gillum, Kathy	Questions regarding demolition of portions of facility.
3:51:36 PM	Vice Chair Gardner Note: Gillum, Kathy	Questions regarding O&M cost savings.
3:53:27 PM	Witness Excused (Bellar) Note: Gillum, Kathy	Witness, Lonnie Bellar excused.
3:53:41 PM	Vice Chair Gardner Note: Gillum, Kathy	Data Requests . Kendrick said they would provide rapidly.
3:54:30 PM	Hearing Adjourned Note: Gillum, Kathy	Vice Chair Gardner adjourns hearing.
3:54:40 PM	Session Paused	
3:56:30 PM	Session Ended	